

Department of Labor and Industrial Relations

OFFICE OF COMMUNITY SERVICES



TRANSITIONING TO AND IMPLEMENTING
PERFORMANCE-BASED CONTRACTS

Transitioning to and Implementing Performance-Based Contracts

Transitioning to and Implementing Performance-Based Contracts for Employment Core Services for Low-Income Persons and Immigrants

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Abstract

People demand responsible and accountable government. Government, at all levels, is answering the challenge by being more open and transparent in its procurement of goods and services. Attention is now focused upon Congress to see if it will actually utilize the Program Assessment Rating Tool (PART) information to decide real funding levels or if PART will just be a one time initiative of the current administration. PART is important because it represents the only program that assesses performance across the entire Federal budget. Fiscal accountability and responsibility requires sound stewardship of taxpayer dollars. It's only a matter of time before this Federal performance-based culture trickles down and is adopted at the State and agency level.

Ten years ago, the State of Hawaii was a leader and one of the first states nationwide to pass legislation mandating the use of performance measures to create its budget. Presently, it is dead last when compared to the rest of the states concerning managing for performance, budgeting for performance and program evaluation. The Department of Labor and Industrial Relations – Office of Community Services (DLIR-OCS) staff, frustrated by declining performance and rising costs, wanted to improve program performance by making the shift from payment for activities to payment for results. To continue to do even more with much less and justify future funding, DLIR-OCS is leading organizational and cultural change to manage for results that focus upon its customers by implementing Performance-Based Contracts (PBCs) for its Employment Core Service programs. This paper basically depicts DLIR-OCS' experience of implementing PBCs for its Employment Core Service programs.

DLIR-OCS demonstrates that PBCs based on a Milestone Payment System (MPS) provide a viable contracting option that works and saves money. For Fiscal Biennium 2006-2007, the actual amount of savings for the Employment Core Services for Low-Income Persons and Immigrants was \$292,163. This does not account for one-time monies advanced to service providers during first quarter of the pilot transition phase that service providers were allowed to keep regardless if earned or not. During the transition phase, a built-in harmless clause was incorporated. Service providers needed to know it was somewhat okay to fail as they transitioned their program design to better fit MPS. If OCS strictly followed and made payments solely based on MPS, this would have resulted in a greater combined savings of \$522,768.

Introduction

Who ultimately sets in motion PBCs? You do! Taxpayers justifiably demand accountability, and want to see results for their tax dollars.

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There definitely exists a challenge of performance management in government. Remember Peter Drucker's old adage, "What gets measured, gets done." Government needs to change its old bureaucratic mindset. Who worries about results? Nobody really cares how we spend our tax dollars. Government is like an old plodding dinosaur. It is slowly evolving, but oh so very slowly. This end of the fiscal year mentality, spend it or lose it, must become a thing of the past. Government is big business. To be competitive, efficient, effective, accountable and responsible, it must be run like a business. To survive, you need a new performance attitude!

What's Up at the National Level?

What's the political and financial environment? As Federal management evolves closer towards a performance-based culture, the ability to assess changes in agencies as they move forward to embrace performance management proves a big challenge. Initiated in 2002 and known as the Program Assessment Rating Tool, these performance evaluations require each Federal program to demonstrate how they provide value to the American people. PART, one of five initiatives of the President's Management Agenda (PMA) represents a concerted effort mandating Federal agencies to develop performance measures and report program goals and results. Its purpose is to assist Congress in making informed and effective budgetary decisions. It is important because it represents the only program that assesses performance across the entire Federal budget.

For FY 2008, the Office of Management and Budget (OMB) completed assessing 973 programs representing 96% of the Federal budget with PART. Overall, according to the latest assessment by ExpectMore.gov (developed by OMB and other federal agencies), 75% of Federal programs are performing. ExpectMore.gov defines programs that are performing with the following PART ratings: effective, moderately effective, or adequate. Current PART summaries and details are available on ExpectMore.gov website at <http://www.whitehouse.gov/omb/expectmore/>. Government-wide PART summary data is also available in Portable Documents Format (PDF) and Microsoft Excel or Excel Viewer (XLS) format on the OMB website at <http://www.whitehouse.gov/omb/organization/index.html>. The program rating indicates how well a program is performing so the public can see how effectively tax dollars are being spent. This shows government transparency.

With release of the President's FY 2008 budget submission to Congress, nearly all government programs have been evaluated at least once using PART. Over five years after inception of PART, programs rated ineffective or results not demonstrated decreased from 5 to 3 % and from 50 to 21 %, respectively. Programs with effective ratings increased dramatically from 6 to 17 %. Similarly, those rated moderately effective rose from 24 to 31 %, and those with adequate ratings also increased from 15 to 28 %.

The Administration did its part in evaluating program performance and using that information to propose a budget based on program performance. Attention is now focused upon Congress and how it will use PART information to decide funding levels. The President's proposed budget makes it very clear that performance and PART matters. The Administration has renewed its commitment to personnel reforms, and the competitive sourcing initiative has demonstrated a significant amount of savings for the federal government.

Yet exactly how PART has been applied in the President's budget is still at times hard to determine. General funding trends based on observation tend to be aligned with PART scores and indicate that effective programs tend to get increases, while poorly performing programs get decreases. The Administration employs PART as one factor in its Major Savings and Reforms report, but also recommends programs for termination based on alternative criteria.

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Thus far, Congress itself has not shown much interest. There exists little evidence to validate that Congress has supported PART to make long-overdue reductions in Federal government, mainly regarding it as an initiative of one administration. Congress should apply the results of PART to eliminate wasteful spending. Federal programs should receive taxpayer dollars when they prove they can achieve results. However, it still appears that many appropriators prefer to protect and increase pork barrel spending on pet programs, rather than make funding decisions based on program performance.

The President's Management Agenda, announced in summer 2001, has placed an enormous focus on results, as senior executives, managers, line employees and entire agencies are held accountable for meeting the goals and delivering the services to the taxpayers they set forth. PMA, an aggressive strategy with a single-minded focus for improving the management of the Federal government, has now reached every federal program in every federal agency. It calls for specific reforms in five government-wide management areas: (1) Budget and Performance Integration; (2) Financial Management; (3) Strategic Management of Human Capital; (4) Competitive Sourcing; and (5) Citizen-Centered e-Government. The Bush administration, with OMB as its champion, has confirmed to managers that the Federal government is results-oriented and that the progress made on PMA will continue. With the help of PMA, agencies are now more disciplined, transparent, and results-oriented in their management of programs, staff, clients, costs, and investments. As agencies improve their grade on the PMA scorecard, now there is senior executive commitment, clear accountability of who is in charge of PMA goals, and a detailed plan of what needs to be done, including specific milestones.

Fiscal accountability and responsibility requires sound stewardship of taxpayer dollars. This means once the President and Congress decide upon overall spending levels, taxpayer dollars ought to be properly managed to maximize results. PMA, with PART, is creating a "managing for results" government, where each agency and program is professionally administered to achieve the desired outcomes expected by Congress and the American people. It is just a matter of time before this Federal performance-based culture trickles down and is adopted at the State and agency level.

What's Up at the State Level?

In its latest 2005 study, *Governing Magazine* gave Hawaii State Government a grade D in regards to information/performance management. The State of Hawaii was dead last in this category that includes: managing for performance, budgeting for performance and program evaluation. Hawaii conveys a false impression that it relies on performance measures to create its budget. Just ten years ago, Hawaii was a leader and one of the first states nationwide to pass legislation mandating the use of performance measures to create its budget.

Budget submissions have required output and outcome target levels as a means for comparing actual results to goals. Over the years, efforts were made to improve the quality of the outcome measures. However, while individual government agencies make futile attempts to use these performance measures, the measures have received little recognition or incorporation in upper-level decision making, nor are the measures tied into the proposed State budget.

Over the past three years, the State Auditor's Office does on the average about 15 performance audits each year. Their mission states, "Through post-audits of the accounts, programs, and performance of state agencies, the office seeks to assure the accountability of government agencies for their implementation of policies,

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management of programs, and expenditure of public funds. The office reports its findings and recommendations to the Governor and the Legislature to give policy makers timely, accurate, and objective information for decision-making.” Though the mission of the office is well intended, the Legislature and the State Departments appear to pay little heed to what the State Auditor’s Office advises.

DLIR-OCS’ thoughts: Hawaii does not have to be the leader of the pack, but at least we should be somewhere in the middle. Any assistance to the State in performance budget management will be a step in the right direction.

What’s Up at the Local Level?

The Office of Community Services completed executing its competitive purchase of service contracts for FY 2006-2007. From FY 1995 to 2007, DLIR-OCS witnessed State Purchase of Services/Grants funds dwindle to less than half from a high of \$7.82M to \$3.8M. DLIR-OCS staff, frustrated by declining performance and rising costs, wanted to improve program performance by making the shift from payment for activities to payment for results. Prior to implementing PBCs, DLIR-OCS had already implemented an outcome-based contracting system. These outcome-based contracts were still too costly and not delivering the desired results. To continue to do even more with much less and justify future funding, DLIR-OCS is leading organizational and cultural changes to manage for results that focus upon its customers by implementing PBCs for its Employment Core Service programs. A brief explanation of PBCs follows.

Performance-Based Contracts 101 (after DeMaio; 2004)

Why Use PBCs?

- ◆ Government agencies become a “smarter shopper”. Now government actually gets what it pays for while sharing responsibility more evenly between the contractor and government.
- ◆ PBCs strengthen competition, as well as innovation and efficiency. Possibly lowers contract prices.
- ◆ Contractor must now perform to standards. Government now has stronger solutions for contractor non-performance.

What Makes a PBC?

- ◆ Soliciting Request for Proposals (RFPs) based on results you want achieved rather than tasks done.
- ◆ Defining clear performance measures and expectations (baseline vs. expected results). Choosing the correct and right number of measures.
- ◆ Specifying clear milestones and industry benchmarks.
- ◆ Providing incentives for performance results.
- ◆ Granting flexibility in exchange for accountability, i.e., no line item budget. Contractor allowed to expend funds as long as it conforms to State procurement policies and cost principles.

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- ◆ Monitoring program to ensure performance outcomes accomplished.
- ◆ Tying payment to performance outcomes.

Challenges to Overcome

- ◆ Getting started. How and where do you start?
- ◆ Lacking knowledge of PBCs. Requiring use of new terminology. Few examples or road maps exist on how to structure RFPs/bids and contracts.
- ◆ Apprehension about operating a new way. State's cultural resistance to focus upon the right outcomes. Is the State really going to contract now for the "what" (outcomes) and not the "how" (activities)?
- ◆ Openness between the parties during procurement process. Contractors not used to talking during RFP/bid process. Willingness of contractors and State to change.
- ◆ Fear of letting-go and not micro-managing.
- ◆ Acknowledgement that "things will and should change". This will require revising contracts over time. Being flexible. It is inevitable that some efforts may fail. Incorporate a hold "harmless clause" or tolerance for risk during transition period. Mistakes during transition phase must be acceptable.
- ◆ Too many measures or the wrong measures.

Upside of PBCs for Contractors

- ◆ Reduces cost of doing business with public sector.
- ◆ Increases customer satisfaction.
- ◆ Encourages creativity and innovation.
- ◆ Measures what matters.
- ◆ Heightens autonomy.
- ◆ Downside of PBCs for Contractors
- ◆ No result = No payment
- ◆ May result in more complicated, expensive contracts especially if hybridized.
- ◆ Difficult at best to quantify and measure human service results.
- ◆ Direct links between action and result are rare – can become responsible for results outside of contractor control.

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Risks

- ◆ PBC efforts will be attempted, will fail and will never be tried again.
- ◆ Press and the public will not understand what is being attempted.
- ◆ Someone will lose money.
- ◆ Someone will be blamed and punished.
- ◆ Results will not be achieved.

Rewards

- ◆ Human service programs become more accountable producing lasting results that make a difference and have significant impact on social issues.
- ◆ Public and non-profit sector partnerships deepen improving program effectiveness.
- ◆ Increased program innovation with more effective problem solving.
- ◆ Rewards success!

Implementation of Performance-Based Contracts: DLIR-OCS Experience

In October 1998, Keith Yabusaki began working on Health and Human Service contracts at DLIR-OCS. For two years, he administered the entire contractual process from soliciting requests for information, writing/issuing RFPs, posting procurement notices, evaluating RFPs, making statements of findings and decisions (announcements of awards or non-awards), negotiating contracts, executing contracts, on-site and desktop monitoring of programs, and finally evaluating programs. In 1998, DLIR-OCS lacked any standardized program monitoring or evaluation process, nor was data collected uniformly for DLIR-OCS' Employment Core Services programs.

One bright spot existed. DLIR-OCS adopted the Federal Results-Oriented Management and Accountability (ROMA) criteria. ROMA is an outcome-oriented management framework that incorporates traditional management functions with a new focus on accountability. To assist implementation of ROMA into its programs, DLIR-OCS staff attended formal training sessions and, in turn, provided training to service providers' staff. Now ROMA outcomes formed the basis for program performance measurement. Thus, by incorporating the use of outcomes and results to the planning, management and operation of programs and by linking these outcomes and results to the management process, ROMA improves the ability to measure comprehensively program effectiveness. In Fiscal Year (FY) 1999 thru FY 2001, DLIR-OCS implemented ROMA and initiated standardizing its contracts.

As stated, DLIR-OCS primarily executed outcome-based contracts. Contrary to what service providers were saying, DLIR-OCS did not execute PBCs. Our outcome-based contracts failed to tie payments with performance, one key element of PBCs. The idea of a "performance-based contract" is not new. However, without contracts that are truly performance-based, mission-aligned accountability is not accomplished.

Transitioning to and Implementing Performance-Based Contracts

During Fiscal Years 2001 – 2003, DLIR-OCS Purchase of Service reimbursement contracts generally remained unchanged. The most disheartening and frustrating concern remained that the vast majority of DLIR-OCS service providers continued to receive full reimbursements for expenditures close or equal to the total contracted amount whether or not clients obtained and maintained employment. In meeting with personnel from other State departments and divisions, DLIR-OCS confirmed that this widespread problem was not only limited to its contracts. Routine, annual, on-site monitoring by DLIR-OCS' program specialists was cursory or superficial at best. Employment Core Service programs ranged the full gamut from very poor to excellent. No special incentives existed to operate an excellent program. Many programs cycled clients and duplicated counts. The unit cost ranged from \$1,528 to \$73,385 per client for comparable services.

In Fiscal Biennium (FB) 2002-2003, as mandated by the State Procurement Office and in compliance with Chapter 103F, Hawaii Revised Statutes, DLIR-OCS staff developed written monitoring, technical assistance and evaluation plans. The State's improved monitoring efforts, willingness of staff to provide timely technical assistance, the transparency of the State procurement and contracting process, and open communication between the staff and service providers helped lead the way to improved program effectiveness. Getting staff to work and implement PBCs proved another huge obstacle. Then, the State administration changed. Resistant staff members were released and new staff hired in FB 04-05. New staff started from the beginning to learn their duties. The new administration did not like wasting State monies and resources. What to do? Should the administration just continue to look the other way as so many past-employees have done year-in and year-out?

In late February 2004, DLIR-OCS Executive Director Sam Aiona instructed Keith Yabusaki to develop measures and practices that would improve contract performance for DLIR-OCS' Employment Core Services for Low-Income Persons (ECS-LIP) and Employment Core Services for Immigrants (ECS-IMM). Comprehensive employment core services provide social services that directly prepare and train low-income persons and immigrants to overcome multiple barriers to work, obtain and maintain employment. Scope of work includes: outreach, intake, assessment and individual service planning, employment preparation, job placement, job support, job maintenance, job retention, as well as case management. These performance measures were to be incorporated in the RFPs for State FB 06-07. This left no time for contemplation. The State Procurement Office for Health and Human Services required RFPs to be issued later that year by October 12, 2004. DLIR-OCS started to devise new methodology to fairly, efficiently and cost-effectively pay for program services.

Administrators would prefer staff members just attend one PBC workshop, upon their return develop and write correct performance measures, and then simply implement PBCs. This high expectation greatly lessens your chances for successfully implementing PBCs and sets you up for failure. It's impractical, nor feasible. Things just don't work that way.

A literature review indicated that most white papers just provided general PBC theory. Internet articles abound that present the pros and cons of successful programs and advocate the use of PBCs. However, there were at the time very few, if any, tested PBC measures, case model processes, sample contracts, invitations to bid, or road maps on how to directly implement PBCs. DLIR-OCS spoke with the Hawaii State Procurement Office – Health and Human Services (SPOH) staff about PBC. SPOH shared its wish that government agencies would adopt PBC, but did not know of any health and human service government contractors who tied incremental payments with program outcomes.

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Keith Yabusaki attended three trainings presented by the Performance Institute: (1) March 2004 National Conference on Performance Measurement and Performance-Based Contracting for Social Services in San Diego, California; (2) PBC in Government in Ottawa, Ontario - June 2004 and (3) Show Me the Measures! - Developing Model Performance Measures for Government Programs in Ottawa, Ontario - June 2004. These trainings focused on (1) developing and selecting "best in class" model performance measures and best practices for improving social service programs and contracts; (2) managing contracts for results; (3) applying a seven-step framework to devise, implement, and manage model PBC in government; (4) auditing and evaluating contractor and grantee performance; (5) performance budgeting for social service programs - linking resources to results; and (6) performance reporting: collecting and distributing performance information to drive decision making and improve results. Training in these topics formed a strong foundation for selecting and adopting an innovative PBC methodology.

In October 2004, PBCs based on a Milestone Payment System were incorporated into FY 2006-2007 Employment Core Services RFPs. It is difficult, at best, to develop good measures and come up with the right number of key performance measures for health and human services. Implementing performance-based contracts requires buy-in and support from (1) DLIR-OCS program staff, (2) strong public/private partnerships especially with service providers, (3) DLIR-OCS Executive Director and top management, and (4) elected legislators and other funders. It was only through his firm belief in and commitment by Executive Director Aiona to PBCs that DLIR-OCS finally did implement PBCs.

DLIR-OCS utilized Requests for Information to accommodate service provider input and comments. An interdisciplinary team developed the RFP and later the PBCs. The team consisted of program specialists, accountant, Executive Director and the procurement officer. The deputy attorney general and end users such as service provider staff members were consulted during the process. This continued collaboration remained during the duration of the acquisition process. RFPs were solicited and disseminated electronically. Probably the most important thing DLIR-OCS learned the hard way to increase chances for successfully implementing PBCs is that the agency needs first to adopt a performance organizational and cultural change that focuses upon customers. In other words, develop the right measures/outcomes for making payments and getting all office staff to adopt a philosophy of working for achieving client outcomes. This is then followed by performance-based contract implementation. PBC is a tool, not a cure all.

Procurement timetables do not always match office strategic plan timelines.

In rushing to incorporate PBCs into our State Purchases of Services (POS) process, DLIR-OCS was not able to provide sufficient training and obtaining buy-in from its own program/fiscal staff and service providers without losing another two years. In DLIR-OCS' experience (and hearing from others who have also been charged with implementing PBCs), greatest resistance came from within its own staff. Program staff and service agencies having little or no choice, have reluctantly followed the process. However, for performance-based management and contracts to effectively work, it is best even if late to provide adequate training.

To prevent cycling of clients and report unduplicated counts, DLIR-OCS extended tracking of client employment after job placement to one-year. One-year was found by Federal social service programs to be the critical point for a client to be successfully employed and not likely to regress and return to job training. Yabusaki developed performance-based measures and recommended adopting a milestone payment system based on the Community Rehabilitation Services Unit of the Oklahoma Department of Rehabilitation Services (DRS) for Employment Core Services. The

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Oklahoma DRS MPS began its contracting system in 1992 and makes payments to service providers at specific milestones with proper documentation or verification. MPS was adopted because of its established track record and the fact that many of DLIR-OCS' service providers depend on a steady cash flow to operate their non-profit programs and could not wait a year before receiving first payment. MPS also allows manual tracking of each client. Performance-based contracting allows government to receive services it paid for. PBC shares the risk more evenly between government agencies and the service providers. The service providers now need to deliver services before receiving payment at each milestone. With MPS, incentive exists for the non-profits to eliminate the inefficiencies in their system.

FB 2006-2007 served as a transition phase. The unit rate for each client type (typical, highly challenged, or disabled) paid to each service provider is the same. To determine unit rates or total amount to be paid per client, DLIR-OCS looked at its own historical cost data as well as costs for 10 similar programs situated throughout the mainland USA. Estimated costs were computed for each service milestone based on available data. These costs were used in preparing the best government estimates. If these best government estimates were too low, the service providers would be screaming that the proposed rates were not feasible. Upon announcing the proposed milestone payment amounts, none of the 13 service providers with 20 contracts vehemently protested.

Possible creaming remains the Achilles heel of outcome-based payment systems. Incentives for creaming are reduced by offering higher payments to service providers for serving difficult-to-place clients. Generally, the larger payment may not be substantial enough to make it worthwhile to risk working with the more challenged clients. Under the old system, no one or very few persons were screened out. The old reimbursement system encouraged non-profits to accept clients who could not work and then extend the service delivery process so they could get their budgets padded. MPS is designed to encourage people to work and the programs need to admit people who are capable of work. Private non-profits are now paid for performance, based on job placement and several levels of job retention, with detailed program design left to the non-profit.

DLIR-OCS program specialists, Michael Hane and Jamesner Dumlao monitored ECS-LIP and ECS-IMM programs respectively, according to standard monitoring protocol. Much of the success must be credited to them who were largely responsible for PBC implementation and patiently providing necessary technical assistance to the service providers. Senior Accountant Conan Akau and Michael Hane spent considerable time developing the MPS client tracking and cash request forms. DLIR-OCS would also like to take this opportunity to acknowledge the patience and understanding exhibited by our service providers who were the "guinea pigs" and made this endeavor possible. They included: Big Island Substance Abuse Council, Catholic Charities Hawaii, Child and Family Service, Goodwill Industries of Hawaii, Inc., Hawaii County Economic Opportunity Council, Ka Lima O Maui, Ltd., Kauai Economic Opportunity, Inc., Maui Economic Opportunity, Inc., ORI Anuenue Hale, Inc., Pacific Gateway Center, Parents and Children Together, Susannah Wesley Community Center, and Winners at Work. They are the ones that truly made it work! DLIR-OCS is analyzing and evaluating the data before and after implementing performance-based contracts. This past biennium saw unrequested amounts of \$229,766 for ECS-LIP and \$62,397 for ECS-IMM. Combined, the amount of savings is \$292,163. This does not account for one-time monies advanced to service providers during first quarter of the pilot transition phase that providers were allowed to keep regardless if earned or not.

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Preliminary data also indicates that for a program to be able to verify and document its program outcomes properly requires two to three program staff. Data evaluation is making DLIR-OCS rethink how it funds and operates its PBC-MPS programs. The data indicates a need for additional funding. This data can now justify requesting additional funding from the Legislature. DLIR-OCS can show the unit cost for a client to be placed in employment and maintain a job for a year and can also show the costs to run an effective and efficient program.

During this transition phase, DLIR-OCS used this time to refine the PBC process and check if it was on the right track. Keith Yabusaki attended two additional trainings to further DLIR-OCS' knowledge concerning implementation of PBCs. Performance Measurement for Government sponsored by the Advanced Learning Institute and co-sponsored by The George Washington University was held in San Diego in April 2005. This training focused upon linking performance measures, strategic planning and budgeting into an integrated management system. Going Beyond Measures A National Conference on Using Performance Information in Government once again sponsored by the Performance Institute was held in Arlington, Virginia in January 2006. Selected topics included: Interactive Course 1) Program Evaluation & Analysis to ensure a clear cause and effect relationship between measured performance and program activities; and 2) Auditing and Improving Performance Information to establish criteria to improve the quality, reliability and credibility to performance information. Information learned was used to update, upgrade and improve existing PBCs.

For FB 2008-2009, the previous biennium's data was used to evaluate the performance of service providers. This serves as another powerful incentive when contractors know that their performance will be one major factor that influences future award decisions. Those performing well received new contracts, some with increased contract amounts. Those performing poorly received lesser contract amounts or no contracts. DLIR-OCS is in the process of shifting to an integrated Managing for Results System (MFR). MFR means that in everything we do, we are focused upon the results for the customer.

Recently, Keith Yabusaki developed a mandatory client-tracking case management, reporting template that identified over 40 barriers to employment based on DLIR-OCS' service providers input. Customized client tracking/case management software documents services provided to and tracks progress of program clients. Software encompasses a centralized client intake center, maintains demographic information, determines client income eligibility, defines client goals, incorporates a telephone contact module, and uses query builders to retrieve records from any database table meeting OCS service providers' specified conditions. It monitors client progress and program services received to eliminate work barriers, track client milestone achievements, compile milestone payment requests and expenditure reports, records telephone contacts, walk-in/general contacts, and group services, maintains client confidentiality, and generates real-time monthly, quarterly and annual MPS Performance-Based and Service Activity Reports with vendor performance report card. DLIR-OCS hopes to issue a bid for customized client tracking case management software in May 2008. This is not an effort to micro-manage service providers, but an attempt to have service providers collect data similarly, push a "single-button", and submit a uniform report that includes graphical outputs. A simple survey along with the data will allow comparisons between vendors. By developing the right outcome measures, making milestone payments, implementing performance-based contracts, conducting desktop and on-site program monitoring, analyzing and evaluating data, and sourcing for customized case management software – DLIR-OCS foresees Employment Core Service programs evolving into a "best practice", serving as a model for other State programs, and leading to increased program funding.

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Data Collection

DLIR-OCS has always tried to monitor and collect useful data from its programs to gauge the success of its programs. Initially, DLIR-OCS developed benchmarked measures for employment training of low-income persons in the absence of commonly accepted standards with limited knowledge about what constitutes realistic outcomes and what it costs to attain them. Benchmarked measures were originally in widespread use by businesses before adaptation by nonprofits and government. Since FY 2004, DLIR-OCS has improved fiscal responsibility, contract monitoring, collection of pertinent data, and program evaluation. It has not been a straight, simple, nor easy path to follow.

Understaffed and minimally funded, service providers focused on what they do best and meeting immediate needs – preparing for and placing clients in employment as quickly as possible. Most service provider staff did and many still do not have the luxury of a quality control person to analyze the data and iteratively use data findings to improve program services. Program and job coordinators strive to meet targeted program outcomes to maintain program funding as well as their own jobs. It should not be surprising that not every program making the transition to MPS has survived. Service providers with strong management and effective job coaches made the transition with more ease. For many clients to achieve maintaining employment for one year depends on and is directly correlated to a job coach's willingness to provide assistance to that client. It is interesting that a number of service providers commented that PBCs made their staff take a hard look at their programs with new eyes and a renewed interest. In general, it made staff conduct themselves more professionally.

The previous DLIR-OCS office staff failed to promote a managing for results culture. However, a positive point, each and every purchase of services and Federal contract, even if cursory, was on-site monitored. Good contract administration requires the cooperation of both the program and fiscal offices. Teamwork needs to be instilled and reinforced at the executive levels. PBCs enable DLIR-OCS to shift its focus from processes to outcomes while streamlining the entire acquisition process. Former DLIR-OCS program staff glanced over the quarter and annual program progress reports and filed them away. Performance was primarily measured by how well programs met targeted outcomes. The data was rarely, if ever, used for anything else. The importance of collecting reliable data results must first be realized by all DLIR-OCS staff. This message must then be conveyed to the service providers who are collecting the data. DLIR-OCS program monitors are not there just to police and penalize non-performance. It is hoped that program monitors are promoting a managing for results culture, yet are sensitive enough to be seen as a viable source for technical assistance.

Performance-based contracting is not a panacea. Initially, DLIR-OCS program staff failed to see the importance of service providers reporting other relevant data except for the milestones. An unfortunate setback, service providers were told by DLIR-OCS, that they no longer were required to submit a narrative report that contained other pertinent information. Important data that DLIR-OCS must report such as the number and types of Micronesians being assisted is no longer routinely reported and was lost. DLIR-OCS with its limited staff and resources now must make time consuming special requests for data from the service providers and is lucky if the data is available. As a result, this is the first time since standardizing contract outputs and outcomes in FY 2000 that DLIR-OCS is seriously looking at what useful data needs to be uniformly collected from its Employment Core Service programs. DLIR-OCS is also looking at how this data can be uniformly collected, reported and used

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to improve its programs without overwhelming the service providers. Client tracking case management software provides one alternative. In the future, a formal paired learning process will permit comparisons between similar programs that will prove beneficial to program managers. Despite the initial burden for reasonably detailed data collection, program performance numbers and costs will now be readily available.

Federal programs started requiring that service providers track clients for one-year after job placement. Past studies generally indicated that clients could maintain jobs easily for six months. Between six months and a year, a substantial number of clients lost their jobs and recycled back into employment training programs. It was shown that if clients were able to maintain employment for one-year, most would be successful in keeping their jobs and less apt to return to employment training. Therefore, effective employment training programs for low-income persons must measure retention. Thus, back in FY 2002, DLIR-OCS started requiring service providers to track clients for one year after job placement.

This represents the first time that annual data from DLIR-OCS' ECS-LIP and ECS-IMM programs will be combined and presented by fiscal biennium (FB) for FBs 2002-2003, 2004-2005 and 2006-2007. This makes logical sense due to DLIR-OCS' two-year contract period and 12-month job maintenance requirement.

Data Issues and Concerns

- 1) Direct observation of service provider reports confirmed that raw data collection is not standardized nor is it reported uniformly.
- 2) At the start of a new contract fiscal year, few service providers listed the number of carryover clients. It is unclear where in the program outcomes the service provider reports and accounts for these clients.
- 3) Direct observation confirmed as shown by actual counts, that service providers misinterpreted and were not clear on the meaning of clients enrolled for services and clients completing preparatory services.
- 4) Targeted client outputs and outcomes reflect that service providers and DLIR-OCS were making best guesstimates for anticipated outcomes and what program services would actually cost.
- 5) Service providers need to better understand the costs of its activities and how these costs compare with their peer organizations. Constructively sharing cost data between peers can provide organizations insight to the potential benefits and costs of adopting alternative strategies and practices.
- 6) The number of clients who completed employment preparation training is reported by service providers. However, the equally important data, number of clients who are enrolled in employment preparation training, is not or rarely reported.
- 7) Reporting wage rates need to be standardized. Reporting wage rates using different units such as \$/hour, \$/week, \$/month versus \$/year, without reporting number of hours working per week, prevents determining and making comparisons between different clients and agencies.
- 8) Service providers generally tabulate performance outputs and outcome measurements choosing to type in data

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numbers rather than use spreadsheets. Using spreadsheets will cut down on the substantial number of observed mathematical errors.

- 9) It was observed in former and current program specialist files that a number of quarter and final reports were missing. It appears that little effort was exerted to obtain the missing files. In one instance, it was noted that the former program specialist did request a missing third quarter report, and the service provider provided the specialist as well as the data analyst with the same second quarter report. Both the provider and analyst did not notice that they had filed away the same second quarter report under the third quarter.
- 10) It is unclear how many duplicate clients are double counted and included in the outcomes. It is unclear how the data accounts for recycling of clients.
- 11) It was unclear and undocumented in two cases how programs that were struggling to meet their projected outcomes were suddenly in the last quarter able to closely meet targeted amounts. Did these programs just meet their outcomes on paper? DLIR-OCS still supports that its service providers reported reliable data as best they could.
- 12) DLIR-OCS Program Administrator and staff first need to be clear on what are the specific data reporting requirements. The data reporting requirements need to be clearly conveyed to the service providers.
- 13) The data reporting requirements need to be enforced and reports shall be read and reviewed by the DLIR-OCS Program Administrator and staff as part of their monitoring duties. If reports are incomplete, the reports should be returned to the service provider for proper completion.
- 14) Before incorporating PBCs, programs lacked proper outcome documentation. DLIR-OCS along with service providers is making the transition to improve program outcome validation.
- 15) DLIR-OCS Program Administrator and staff need to improve follow-up communication with service providers. DLIR-OCS Program Administrator and staff need to better know the status and needs of the programs they administer.

Data Results

For ECS-LIP, the biennium amount State paid out decreased slightly from \$2.71M to \$2.34M. From FB 2002-2003 to FB 2006-2007, the number of State needs assessments for ECS-LIP decreased from 2,907 to 1,753. For the same time period, the number of total placements for ECS-LIP decreased from 1,384 (\$1,960/placement) to 860 (\$2,718/placement). From FB 2002-2003 to FB 2006-2007, the number of jobs retained for 12-months for ECS-LIP slightly decreased from 388 (\$6,990/retention) to 329 (\$7,104/retention). These general trends for the State, not surprisingly, occurred in the results for each county.

For ECS-LIP, the range in unit cost for FB 2002-2003 for 12 months job retention was from \$2,913 to \$32,437. For FB 2004-2005, the range for 12 months job retention was from \$1,528 to \$73,385. Likewise, for FB 2006-2007, the range for 12 months job retention was from \$3,889 to \$16,814. For FB 2008-2009, if DLIR-OCS follows payment according to the MPS, the range for 12 months job retention for the ECS-LIP will be further narrowed to \$3,800 per typical client to \$6,300 for developmentally disabled client.

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Looking at an average/good performing employment core services program, DLIR-OCS would expect:

		ECS-LIP FB 02-03	ECS-LIP FB 04-05	ECS-LIP FB 06-07
Clients Needs Assessment	100			
Total Job Placements	50			
12-Month Job Retention	25			
% Placed in Jobs to Those Assessed	50	47.6	53.1	49.1
% Employed 12 Months to Those Assessed	25	13.4	26.5	18.8
% Employed 12 Months After Placement	50	28.0	50.0	38.3

For ECS-IMM, the biennium amount State paid out was about \$1.1M with a low of \$0.93M in FB 2004-2005. From FB 2002-2003 to FB 2006-2007, the number of State needs assessments for ECS-IMM decreased from 1,566 to 710. Likewise, for the same period, the number of total placements for ECS-IMM decreased from 1,017 (\$1,074/placement) to 441 (\$2,547 per placement). From FB 2002-2003 to FB 2006-2007, the number of jobs retained for 12-months for ECS-IMM decreased from 450 (\$2,428/retention) to 258 (\$4,354/retention). These general trends for the State, not surprisingly, occurred in the results for each county.

For ECS-IMM, the range in unit cost for FB 2002-2003 for 12 months job retention was from \$1,563 to \$23,034. For FB 2004-2005, the range for 12 months job retention was from \$1,485 to \$4,939. Likewise, for FB 2006-2007, the range for 12 months job retention was from \$4,079 to \$21,593. For FB 2008-2009, if DLIR-OCS follows payment according to the MPS, the range for 12 months job retention for ECS-IMM will be further narrowed to \$3,800 per typical client to \$5,100 for highly challenged client.

Looking at an average/good performing employment core services program, DLIR-OCS would expect:

		ECS-IMM FB 02-03	ECS-IMM FB 04-05	ECS-IMM FB 06-07
Clients Needs Assessment	100			
Total Job Placements	50			
12-Month Job Retention	25			
% Placed in Jobs to Those Assessed	50	65.0	55.0	62.1
% Employed 12 Months to Those Assessed	25	28.7	26.9	36.3
% Employed 12 Months After Placement	50	44.3	49.0	58.5

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Looking at a well/very good performing employment core services program that does not cream clients, DLIR-OCS would expect:

Clients Needs Assessment	100
Total Job Placements	66
12-Month Job Retention	44
% Placed in Jobs to Those Assessed	66
% Employed 12 Months to Those Assessed	44
% Employed 12 Months After Placement	66

This represents a program performance level that DLIR-OCS hopes its service providers will strive for.

DLIR-OCS recognizes its partner agencies. It is only through their dedication and hard work that the ECS-LIP and ECS-IMM programs were able to accomplish so much with limited resources. Without them, DLIR-OCS would not be able to achieve the aforementioned program outcomes. DLIR-OCS wholeheartedly acknowledges its partners who continue to give freely of themselves so that others less fortunate may benefit from their labor.

1. Overall, program performance outcomes improved from FB 2002-2003 to FB 2004-2005 in part due to a) OCS implementing improved monitoring and evaluation procedures; b) properly reporting data numbers by the biennium rather than annually; and c) motivated new OCS staff taking a renewed interest in programs.
2. Drop in reportable outcomes resulted from: a) transition to MPS; b) counting unduplicated clients; and c) stricter documentation and validation requirements to verify each milestone.
3. OCS service providers performed well in placing clients in employment. As expected, service providers can improve performance in job support and maintenance services.
4. Even though total number of clients served was higher before transitioning to PBCs, it is not documented that these were unduplicated clients or that the services provided were documented and verified.
5. When documentation was required to verify milestones, a number of service providers no longer were able to meet estimated number of milestones. Why then did these service providers have no trouble in finding clients to serve when documentation requirements were less stringent? This is apparent when comparing ECS-LIP and ECS-IMM data for FB 2006-2007 with earlier FBs 2002-2003 and 2004-2005 data.
6. As in other employment training studies, numbers remained high when tracking clients employed for six months after placement. Numbers tended to decline when tracking clients between six to twelve months after placement.
7. About half or slightly more than half of the funds appropriated (52.3 -56.0%) for ECS-LIP and (49-63%) for ECS-IMM were appropriated to the City and County of Honolulu. Thus, majority of ECS-LIP and ECS-IMM clients served were in the City and County of Honolulu.

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8. In ECS-IMM programs, immigrants generally possess a strong work ethic and want to be first placed in employment as quickly as possible, rather than complete employment training. This may reflect the somewhat higher percentage of immigrants placed in jobs.
9. In FB 2006-2007, for ECS-LIP and ECS-IMM contracts, PBCs and MPS equalized the unit costs per placement, per six months and per twelve months.

	<u>ECS-LIP</u>	<u>ECS-IMM</u>
Unit Cost (\$)/Placements	\$2,725	\$2,547
Unit Cost (\$)/Six Months	\$4,405	\$3,435
Unit cost (\$)/Twelve Months	\$7,123	\$4,354

10. In FB 2002-2003 and FB 2004-2005, the unit cost per placement, per six months and per twelve months for ECS-LIP without PBCs and MPS was higher when compared to the same numbers for ECS-IMM contracts. This indicates that the ECS-IMM contractors were more efficient and effective in delivering these outcomes per unit.
11. For ECS-LIP, the savings in FB 2004-2005 was \$81,467 or 3.17% and in FB 2002-2003 was \$212,067 or 7.3%. These savings are not tied to deliverables, but depend strictly upon reimbursements claimed by the service providers. In FB 2006-2007, ECS-LIP program had actual savings in the amount of \$229,766 or about 9%. If OCS strictly followed and made ECS-LIP payments in FB 2006-2007 following the MPS, actual savings would have been \$442,153 or 17.22%.
12. For ECS-IMM, the savings in FB 2004-2005 was \$13,494 or 1.44% and in FB 2002-2003 was \$46,665 or 4.1%. These savings are not tied to deliverables, but depend strictly upon reimbursements claimed by the service providers. In FB 2006-2007, ECS-LIP program had actual savings in the amount of \$62,397 or 5.3%. If OCS strictly followed and made ECS-IMM payments in FB 2006-2007 following the MPS, actual savings would have been \$80,615 or 7.2%.
13. FB 2006-2007 saw unrequested amounts of \$229,766 or about 9% for ECS-LIP and \$62,397 or 5.3% for ECS-IMM. Combined, the actual amount of savings was \$292,163 or 7.8%. If OCS strictly followed and made ECS-LIP and ECS-IMM payments in FB 2006-2007 following the MPS, actual combined savings would have been \$522,768 or 14.2%.

Summary

DLIR-OCS made the decision to move from outcome-based reimbursement contracts to PBCs. After considering various types of PBCs, DLIR-OCS decided to select a modified version of the Oklahoma Department of Rehabilitation Services - Milestone Payment System (MPS) due to its proven track record and continuous cash flow since many service providers cannot wait a year before receiving payments.

It is difficult, at best, to develop good measures and determine just the right number of key performance measures for health and human services. Few, if any, road maps exist on how to best implement PBCs. DLIR-OCS learned via trial and error that getting staff to develop and implement PBCs proved a major obstacle. It requires and is essential to get buy-in and support from (1) program staff, (2) service providers, (3) top management, and (4) funders. In DLIR-OCS' experience greatest resistance came from within its own staff. Probably the most important thing DLIR-

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OCS has learned to increase chances for successfully implementing PBCs is that the agency needs first to adopt a performance organizational and cultural changes that focus upon customers. For PBC to be successful, you need to develop the right measures/outcomes for making payments and getting all office staff to adopt a philosophy of working for achieving client outcomes. This is then followed by performance-based contract implementation. And remember foremost, PBC is a tool, not a cure all.

An interdisciplinary team, consisting of program specialists, accountant, Executive Director, contracting officer, deputy attorney general and service provider staff members was used to develop the RFP and PBCs. The PBC implementation timeline did not match the RFP procurement timeline. DLIR-OCS unfortunately did not have sufficient time to provide trainings for performance-based management and contracts to its own staff or service providers. To maximize chances for successful implementation of PBCs, you need to provide adequate training.

To prevent cycling of clients and report unduplicated counts, DLIR-OCS extended tracking of client employment after job placement to one-year. MPS also allows manual tracking of each client. Performance-based contracting allows government to receive services it paid for and shares the risk more evenly between government agencies and the service providers. The service providers now need to deliver services before receiving payment at each milestone. To determine unit rates or total amount to be paid per client, DLIR-OCS looked at its own historical cost data as well as costs for 10 similar programs situated throughout the mainland USA.

Possible creaming remains the Achilles heel of outcome-based payment systems. Incentives for creaming are reduced by offering higher payments to service providers for serving difficult-to-place clients. Generally, the larger payment may not be substantial enough to make it worthwhile to risk working with the more challenged clients. Under the old system, no one or very few persons were screened out. The old reimbursement system encouraged non-profits to accept clients who could not work and then extend the service delivery process so they could get their budgets padded. MPS is designed to encourage people to work and the programs need to admit people who are capable of work. Private non-profits are now paid for performance, based on job placement and several levels of job retention, with detailed program design left to the non-profit. PBCs made both service provider as well as DLIR-OCS staff take a hard look at their programs with new eyes and a renewed interest.

Thirteen service providers with 20 contracts who were part of the pilot transition to PBCs. This past biennium saw unrequested amounts of \$229,766 or about 9% for ECS-LIP and \$62,397 or 5.3% for ECS-IMM. Combined, the actual amount of savings was \$292,163 or 7.8%. (Note: If OCS strictly followed and made payments following the MPS then this past biennium saw unrequested amounts of \$442,153 or 17.22% for ECS-LIP and \$80,615 or 7.2% for ECS-IMM. This would have been a combined savings of \$522,768 or 14.2%).

For FB 2008-2009, the previous biennium's data was used to evaluate the performance of service providers. Those performing well received new contracts, some with increased contract amounts. Those performing poorly received lesser contract amounts or no contracts. Not every program that made the transition to MPS has survived. Service providers with strong management and effective job coaches made the transition with more ease.

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DLIR-OCS developed a client-tracking case management, reporting template based on DLIR-OCS' service providers input. Customized client tracking/case management software will be used to document services provided to, track progress of program clients and generate real-time program reports with vendor performance report card. This is not an effort to micro-manage service providers, but an attempt to have service providers collect data similarly, push a "single-button", and submit a uniform report. A simple survey along with the data collection will allow comparisons between vendors. By developing the right outcome measures, making milestone payments, implementing performance-based contracts, conducting desktop and on-site program monitoring, analyzing and evaluating data, and sourcing for customized case management software – DLIR-OCS foresees Employment Core Service programs evolving into a "best practice", serving as a model for other State programs, and leading to increased program funding.

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Employment Core Services Low-Income Persons

2002-2003

Employment Core Services for Low-Income Persons

Summary FB 2002-2003	BISAC	CFS	GH(HIo)	GH(HL)	HCEOC	HCAP	KALIMA	KEO	MEO	ORI	PGC	WAW	HAWAII	MAUI	HNL	KAUAI	STATE
Contracted Amount	\$235,000	\$200,000	\$176,000	\$250,000	\$266,000	\$240,000	\$183,000	\$274,150	\$260,000	\$400,000	\$200,000	\$240,000	\$677,000	\$443,000	\$1,530,000	\$274,150	\$2,924,150
Amount State Paid	\$227,056	\$193,077	\$145,023	\$209,703	\$259,508	\$181,826	\$178,534	\$244,201	\$253,655	\$390,238	\$195,119	\$234,143	\$631,587	\$432,189	\$1,404,106	\$244,201	\$2,712,083
No. Persons Enrolled	192	208	112	244	607	377	229	356	222	207	344	102	911	451	1482	356	3200
Needs Assessment	160	192	106	262	589	377	229	171	213	167	339	102	855	442	1439	171	2907
Enrolled Employment Preparation	157	156	81	234	476	153	108	102	87	174	210	103	714	195	1030	102	2041
Complete Employment Preparation	116	134	61	200	280	143	63	42	71	134	124	8	457	134	743	42	1376
Job Placement and Maintenance																	
Part-time	31	74	45	49	98	73	45	37	17	48	48	44	174	62	336	37	609
Full-time	47	63	14	106	97	106	89	29	99	55	52	18	158	188	400	29	775
Total Placements	78	137	59	155	195	179	134	66	116	103	100	62	332	250	736	66	1384
Six Months	30	106	22	154	154	71	50	13	60	51	56	30	206	110	468	13	797
Twelve Months	7	41	8	72	50	15	22	16	47	29	55	26	65	69	238	16	388
Unit Cost (\$)/Placement	\$2,911	\$1,409	\$2,458	\$1,353	\$1,331	\$1,016	\$1,332	\$3,700	\$2,187	\$3,789	\$1,951	\$3,777	\$1,902	\$1,729	\$1,908	\$3,700	\$1,960
Unit Cost (\$)/Six Months	\$7,569	\$1,821	\$6,592	\$1,362	\$1,685	\$2,561	\$3,571	\$18,785	\$4,228	\$7,652	\$3,484	\$7,805	\$3,066	\$3,929	\$3,000	\$18,785	\$3,403
Unit Cost (\$)/Twelve Months	\$32,437	\$4,709	\$18,128	\$2,913	\$5,190	\$12,122	\$8,115	\$15,263	\$5,397	\$13,456	\$3,548	\$9,006	\$9,717	\$6,264	\$5,900	\$15,263	\$6,990
% placed in jobs to those assessed	48.75	71.35	55.66	59.16	33.11	47.48	58.52	38.60	54.46	61.68	29.50	60.78	38.83	56.56	51.15	38.60	47.61
% employed 6 months to those assessed	18.75	55.21	20.75	58.78	26.15	18.83	21.83	7.60	28.17	30.54	16.52	29.41	24.09	24.89	32.52	7.60	27.42
% employed 12 months to those assessed	4.38	21.35	7.55	27.48	8.49	3.98	9.61	9.36	22.07	17.37	16.22	25.49	7.60	15.61	16.54	9.36	13.35
% employed 6 months after placement	38.46	77.37	37.29	99.35	78.97	39.66	37.31	19.70	51.72	49.51	56.00	48.39	62.05	44.00	63.59	19.70	57.59
% employed 12 months after placement	8.97	29.93	13.56	46.45	25.64	8.38	16.42	24.24	40.52	28.16	55.00	41.94	19.58	27.60	32.34	24.24	28.03
% enrolled that complete class	73.89	85.90	75.31	85.47	58.82	93.46	58.33	41.18	81.61	77.01	59.05	7.77	64.01	68.72	72.14	41.18	67.42

Employment Core Services Low-Income Persons

2004-2005

Employment Core Services for Low-Income Persons		BSAC	CFS	GH(Hilo)	GH(HNL)	HCEOC	HCAP	KALIMA	KEO	JIEO	ORI	OVCA	PACT	PGC	WAW	HAWAII	MAUI	HIL	KAUAI	STATE	
Summary FB 2004-2005																					
Contracted Amount		\$160,000	\$190,000	\$170,000	\$210,000	\$160,000	\$210,000	\$146,560	\$162,000	\$248,000	\$150,000	\$162,000	\$219,622	\$190,000	\$190,000	\$662,000	\$394,560	\$1,359,622	\$162,000	\$2,568,162	
Amount State Paid		\$159,998	\$183,637	\$142,343	\$162,477	\$160,000	\$210,000	\$146,560	\$148,404	\$248,000	\$150,000	\$146,770	\$218,526	\$190,000	\$190,000	\$609,111	\$394,560	\$1,334,640	\$148,404	\$2,486,715	
No. Persons Enrolled		187	165	134	181	192	195	103	370	215	25	160	289	288	152	673	318	1315	370	2676	
Needs Assessment		135	168	134	181	267	173	103	170	212	25	109	124	220	97	645	315	988	170	2118	
Enrolled Employment Preparation		155	157	81	181	190	39	127	n/a	104	34	90	120	154	77	516	231	762	n/a	1509	
Complete Employment Preparation		123	104	53	154	135	61	97	192	101	11	53	48	52	74	364	198	504	192	1258	
Job Placement and Maintenance																					
Part-time		17	57	25	23	76	53	45	32	46	10	16	26	56	58	134	91	283	32	540	
Full-time		34	54	24	124	34	43	37	44	92	0	14	15	53	17	106	129	306	44	585	
Total Placements		51	111	49	147	110	96	82	76	138	10	30	41	109	75	240	220	589	76	1125	
Six Months		47	76	23	130	52	30	29	45	167	5	13	16	89	72	135	196	418	45	794	
Twelve Months		10	39	20	126	25	39	20	23	121	5	2	5	88	39	57	141	341	23	562	
Unit Cost (\$)/Placement		\$3,137	\$1,654	\$2,905	\$1,309	\$1,455	\$2,188	\$1,787	\$1,953	\$1,797	\$15,000	\$4,892	\$5,330	\$1,743	\$2,533	\$2,538	\$1,793	\$2,268	\$1,953	\$2,210	
Unit Cost (\$)/Six Months		\$3,404	\$2,416	\$6,189	\$1,481	\$3,077	\$7,000	\$5,054	\$3,298	\$1,465	\$30,000	\$11,290	\$13,658	\$2,135	\$2,639	\$4,512	\$2,013	\$3,193	\$3,298	\$3,132	
Unit Cost (\$)/Twelve Months		\$16,000	\$4,709	\$7,117	\$1,528	\$6,400	\$5,385	\$7,328	\$6,452	\$2,050	\$30,000	\$73,365	\$43,705	\$2,159	\$4,872	\$10,686	\$2,798	\$3,914	\$6,452	\$4,425	
% placed in jobs to those assessed		37.78	66.07	36.57	81.22	41.20	55.49	79.61	44.71	65.09	40.00	27.52	33.06	49.55	77.32	37.21	69.94	59.62	44.71	53.12	
% employed 6 months to those assessed		34.81	45.24	17.16	71.82	19.48	17.34	28.16	26.47	78.77	20.00	11.93	12.90	40.45	74.23	20.93	62.22	42.31	26.47	37.49	
% employed 12 months to those assessed		7.41	23.21	14.93	69.61	9.36	22.54	19.42	13.53	57.08	20.00	1.63	4.03	40.00	40.21	8.84	44.76	34.51	13.53	26.53	
% employed 6 months after placement		92.16	68.47	46.94	88.44	47.27	31.25	35.37	59.21	121.01	50.00	43.33	39.02	81.65	96.00	56.25	89.09	70.97	59.21	70.58	
% employed 12 months after placement		19.61	35.14	40.82	85.71	22.73	40.63	24.39	30.26	87.68	50.00	6.67	12.20	80.73	52.00	23.75	64.09	57.89	30.26	49.96	
% enrolled that complete class		79.35	66.24	65.43	85.08	71.05	156.41	76.38	n/a	97.12	32.35	58.89	40.00	33.77	96.10	70.54	85.71	66.14	n/a	83.37	

Employment Core Services Immigrant Persons

2004-2005

Employment Core Services for Immigrants													
Summary FB 2004-2005	CCH (Hilo)	CCH (HNL)	CFS	HCEOC	KEO	MEO	PGC	SWCC	HAWAII	MAUI	HNL	KAUAI	STATE
Contracted Amount	\$220,000	\$180,000	\$180,000	\$80,000	\$80,000	\$100,000	\$139,692	\$140,000	\$300,000	\$100,000	\$459,692	\$80,000	\$939,692
Amount State Paid	\$220,000	\$180,000	\$175,220	\$80,000	\$72,994	\$100,000	\$139,686	\$138,298	\$300,000	\$100,000	\$453,204	\$72,994	\$926,198
No. Persons Enrolled	226	221	268	204	38	132	165	168	430	132	822	38	1422
Needs Assessment	151	165	445	314	46	120	161	252	465	120	1023	46	1654
Enrolled Employment Preparation	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Complete Employment Preparation	164	106	231	53	43	89	65	43	217	89	445	43	794
Job Placement and Maintenance													
Part-time	58	66	85	46	28	27	22	55	104	27	228	28	387
Full-time	104	80	83	53	12	86	64	40	157	86	267	12	522
Total Placements	162	146	168	99	40	113	86	95	261	113	495	40	909
Six Months	116	75	125	63	31	47	77	61	179	47	338	31	595
Twelve Months	90	53	118	45	26	44	41	28	135	44	240	26	445
Unit Cost (\$)/Placement	\$1,358	\$1,233	\$1,043	\$808	\$1,825	\$885	\$1,624	\$1,456	\$1,149	\$885	\$916	\$1,825	\$1,019
Unit Cost (\$)/Six Months	\$1,897	\$2,400	\$1,402	\$1,270	\$2,355	\$2,128	\$1,814	\$2,267	\$1,676	\$2,128	\$1,341	\$2,355	\$1,557
Unit Cost (\$)/Twelve Months	\$2,444	\$3,396	\$1,485	\$1,778	\$2,807	\$2,273	\$3,407	\$4,939	\$2,222	\$2,273	\$1,888	\$2,807	\$2,081
% placed in jobs to those assessed	107.28	88.48	37.75	31.53	86.96	94.17	53.42	37.70	56.13	94.17	48.39	86.96	54.96
% employed 6 months to those assessed	76.82	45.45	28.09	20.06	67.39	39.17	47.83	24.21	38.49	39.17	33.04	67.39	35.97
% employed 12 months to those assessed	59.60	32.12	26.52	14.33	56.52	36.67	25.47	11.11	29.03	36.67	23.46	56.52	26.90
% employed 6 months after placement	71.60	51.37	74.40	63.64	77.50	41.59	89.53	64.21	68.58	41.59	68.28	77.50	65.46
% employed 12 months after placement	55.56	36.30	70.24	45.45	65.00	38.94	47.67	29.47	51.72	38.94	48.48	65.00	48.95

Employment Core Services Low-Income Persons

2006-2007

Employment Core Services for Low-Income Persons

Summary FB 2006-2007	BISAC	CFS	GH(Hilo)	GH(HNL)	HCEOC	KALAMA	KEO	MEO	ORI	PACT	PGC	WAW	HAWAI	MAUI	HNL	KAUAI	STATE
Contracted Amount	\$179,200	\$207,350	\$227,170	\$410,826	\$150,150	\$205,956	\$164,450	\$202,100	\$201,146	\$221,650	\$200,200	\$196,920	\$566,520	\$408,056	\$1,438,092	\$164,450	\$2,567,118
Amount State Paid	\$159,375	\$124,104	\$227,170	\$410,826	\$129,059	\$151,324	\$140,176	\$202,100	\$180,588	\$221,650	\$200,085	\$190,895	\$515,604	\$353,424	\$1,328,148	\$140,176	\$2,337,352
Needs Assessment	111	49	171	204	76	110	126	156	80	250	273	147	358	266	1003	126	1753
Complete Employment Preparation	102	39	135	203	33	69	41	123	74	72	73	88	270	192	549	41	1052
Total Placements	49	21	107	151	56	42	41	89	38	108	84	74	212	131	476	41	860
Six Months	27	19	39	103	26	19	30	52	32	75	47	63	92	71	339	30	532
Twelve Months	17	15	24	71	14	9	15	25	21	57	18	43	55	34	225	15	329
Unit Cost (\$)/Placement	\$3,253	\$5,910	\$2,123	\$2,721	\$2,305	\$3,603	\$3,419	\$2,271	\$4,752	\$2,052	\$2,382	\$2,580	\$2,432	\$2,698	\$2,790	\$3,419	\$2,718
Unit Cost (\$)/Six Months	\$5,903	\$6,532	\$5,825	\$3,989	\$4,964	\$7,964	\$4,673	\$3,887	\$5,643	\$2,955	\$4,257	\$3,030	\$5,604	\$4,978	\$3,918	\$4,673	\$4,394
Unit Cost (\$)/Twelve Months	\$9,375	\$8,274	\$9,465	\$5,786	\$9,219	\$16,814	\$9,345	\$8,084	\$8,599	\$3,889	\$11,116	\$4,439	\$9,375	\$10,395	\$5,903	\$9,345	\$7,104
% placed in jobs to those assessed	44.14	42.86	62.57	74.02	73.68	38.18	32.54	57.05	47.50	43.20	30.77	50.34	59.22	49.25	47.46	32.54	49.06
% employed 6 months to those assessed	24.32	38.78	22.81	50.49	34.21	17.27	23.81	33.33	40.00	30.00	17.22	42.86	25.70	26.69	33.80	23.81	30.35
% employed 12 months to those assessed	15.32	30.61	14.04	34.80	18.42	8.18	11.90	16.03	26.25	22.80	6.59	29.25	15.36	12.78	22.43	11.90	18.77
% employed 6 months after placement	55.10	90.48	36.45	68.21	46.43	45.24	73.17	58.43	84.21	69.44	55.95	86.14	43.40	54.20	71.22	73.17	61.86
% employed 12 months after placement	34.69	71.43	22.43	47.02	25.00	21.43	36.59	28.09	55.26	52.78	21.43	58.11	25.94	25.95	47.27	36.59	38.26

Employment Core Services Immigrant Persons

2006-2007

Employment Core Services for Immigrants													
Summary FB 2006-2007	CCH (Hilo)	CCH (HNL)	CFS	HCEOC	KEO	MEO	PGC	SWCC	HAWAII	MAUI	HNL	KAUAI	STATE
Contracted Amount	\$232,960	\$231,150	\$175,400	\$71,500	\$71,500	\$100,100	\$143,000	\$160,060	\$304,460	\$100,100	\$709,610	\$71,500	\$1,186,670
Amount State Paid	\$232,960	\$231,150	\$175,400	\$71,500	\$61,523	\$100,100	\$142,675	\$107,965	\$304,460	\$100,100	\$657,190	\$61,523	\$1,123,273
Needs Assessment	122	124	117	50	45	37	128	87	172	37	456	45	710
Complete Employment Preparation	119	123	79	14	20	32	40	32	133	32	274	20	459
Total Placements	85	96	68	28	17	33	69	45	113	33	278	17	441
Six Months	76	92	54	23	15	26	27	14	99	26	187	15	327
Twelve Months	64	95	43	15	7	21	8	5	79	21	151	7	258
Unit Cost (\$)/Placement	\$2,741	\$2,408	\$2,579	\$2,554	\$3,619	\$3,033	\$2,068	\$2,399	\$2,694	\$3,033	\$2,364	\$3,619	\$2,547
Unit Cost (\$)/Six Months	\$3,065	\$2,513	\$3,248	\$3,109	\$4,102	\$3,850	\$5,284	\$7,712	\$3,075	\$3,850	\$3,514	\$4,102	\$3,435
Unit Cost (\$)/Twelve Months	\$3,640	\$2,433	\$4,079	\$4,767	\$8,789	\$4,767	\$17,834	\$21,593	\$3,854	\$4,767	\$4,352	\$8,789	\$4,354
% placed in jobs to those assessed	69.67	77.42	58.12	56.00	37.78	89.19	53.91	51.72	65.70	89.19	60.96	37.78	62.11
% employed 6 months to those assessed	62.30	74.19	46.15	46.00	33.33	70.27	21.09	16.09	57.56	70.27	41.01	33.33	46.06
% employed 12 months to those assessed	52.46	76.61	36.75	30.00	15.56	56.76	6.25	5.75	45.93	56.76	33.11	15.56	36.34
% employed 6 months after placement	89.41	95.83	79.41	82.14	88.24	78.79	39.13	31.11	87.61	78.79	67.27	88.24	74.15
% employed 12 months after placement	75.29	98.96	63.24	53.57	41.18	63.64	11.59	11.11	69.91	63.64	54.32	41.18	58.50